

EXHIBIT 36

DECLARATION OF ERIN ROTHWELL

I, Erin Rothwell, declare as follows:

1. I am the Vice President of Research at the University of Utah in Salt Lake City, Utah. I have held that position since December, 2022. I formally served both the roles of Associate Vice President of Research for Integrity and Compliance and Associate Vice President of Research.

2. I have personal knowledge of the contents of this declaration, or have knowledge of the matters based on my review of information and records gathered by University of Utah personnel, and could testify thereto.

3. University of Utah receives substantial annual funding from the National Science Foundation (“NSF”). In the last year (FY24), we have received \$49.6M in funding from NSF.

4. University of Utah intends to apply for new funding awards, and/or renewals and continuations of existing funding awards, in the next year and in future years to come.

5. The funding University of Utah receives from NSF supports critical and cutting-edge research vital to our nation’s security, global competitiveness, workforce development and economic security. Millions of Americans benefit from and depend on this research. The University’s research funded by NSF includes such areas as wireless technology, artificial intelligence, advanced and additive manufacturing, critical minerals, microelectronics, and aerospace.

6. Reimbursement of University of Utah’s indirect costs is essential for supporting this research. NSF’s cutting of indirect cost rates to 15% would preclude carrying out the kinds of research projects described in paragraph 5 in the future.

7. Indirect costs include constructing and maintaining state-of-the-art laboratories and other facilities required to meet the current technical requirements of advanced research, and procurement and maintenance of equipment necessary to conduct such research, such as specialized testing environments, precision instrumentation and laboratory safety systems. Without this critical infrastructure, we simply cannot conduct the research.

8. Physical facilities costs are one of the largest components of indirect costs. This includes not only the usual costs of constructing and maintaining buildings where research occurs, but the very high costs of outfitting and maintaining specialized laboratory space, which can require special security, advanced HVAC systems, and specialized plumbing, electrical systems and waste management, as well as specialized laboratory equipment. Other facilities include the Center for High Performance Computing, the Nanofab and Storm Peak Observatory station.

9. The features and amount of space available to researchers have a direct and obvious impact on the nature and amount of research that can be done at University of Utah.

10. In addition, indirect costs fund the administration of awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies such as NSF. These mandates serve many important functions, including ensuring research integrity; protecting research subjects; properly managing and disposing of chemical and biological agents and other materials used in research; managing specialized procurement and security requirements for sensitive research; managing funds; preventing technologies and other sensitive national security information from being inappropriately accessed by foreign adversaries; providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data; ensuring compliance with specialized security protocols and safety standards; maintaining facility

accreditation and equipment calibration to meet research quality and security standards; and preventing financial conflicts of interest.

11. Recovery of University of Utah's indirect costs is based on predetermined rates that have been contractually negotiated with the federal government.

12. Through fiscal year 2026, the predetermined indirect cost rates are at 54%.

13. The effects of a reduction in the indirect cost rate to 15% would be devastating. Of the \$49.6 million in NSF funding that University of Utah received in FY24 (July 1, 2023 – June 30, 2024), approximately \$37.5 million consisted of payment of direct costs, and 12.1 million consisted of reimbursement of indirect costs. Similarly, in fiscal year 2025, University of Utah expects to receive \$39.5 million in NSF funding for direct costs and \$12.0 million in NSF funding for indirect costs. And over the next five years, University of Utah anticipates receiving an average of \$40M-\$45M from the NSF for annual direct costs. Based on the predetermined indirect cost rate of 54%, which was agreed upon by the federal government as of 12/16/21 and applying that rate to the direct costs (as modified pursuant to the CFR), University of Utah reasonably expects to receive approximately \$12M in indirect cost recovery on an annual basis.

14. If—contrary to what University of Utah has negotiated with the federal government—the indirect cost rate was reduced to 15% for new awards, that would significantly reduce University of Utah's anticipated annual indirect cost recovery. For example, applying the 15% rate to the anticipated modified direct costs over the next five years, University of Utah's anticipated annual indirect cost recovery would be reduced by \$8.5M to \$3.5M

15. This reduction would have deeply damaging effects on University of Utah's ability to conduct research from day one. Many of University of Utah's current research projects will be forced to slow down or cease abruptly if forced to apply for renewals at the 15% indirect cost cap.

This will also necessarily and immediately result in staffing reductions across the board. For example:

- a. The University of Utah would be required to lay off individuals within a matter of weeks. This would significantly hamper our ability to continue with critical research projects, and in turn jeopardize our ability to contribute to the nation's security. Moreover, recruiting staff who have the requisite knowledge, experience, and security clearances to work on such projects is exceedingly difficult. Even if funding were later restored, it would be difficult to find qualified individuals to fill these positions. Ultimately, top scientists will not move to (or stay at) the University of Utah if we cannot provide the facilities necessary to conduct world-class research.
- b. Shared Research Facilities would not be able to be supported such as the NanoFab and Materials Characterization Lab due to lack of funds for equipment maintenance, service contracts, technician salaries, and user training.
- c. Loss of staff who manage budgets, compliance, and reporting for NSF awards. Faculty forced to absorb administrative burden. Increased risk of audit findings, noncompliance, and misreporting.

16. University of Utah has for decades relied on the payment of indirect costs. And until now, we have been able to rely on the well-established process for negotiating indirect cost rates with the government to inform our budgeting and planning. Operating budgets rely on an estimate of both direct and indirect sponsored funding to plan for annual staffing needs (*e.g.*, post-docs, PhD students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), and facility and equipment purchases. And in some

cases, University of Utah has long-term obligations—and it relies on budgeted grant funding, including associated indirect cost recovery, to fulfill these commitments. This multi-year budgeting process also assumes the availability or possibility of grant renewals at roughly similar terms – and certainly at the negotiated indirect cost rate – as had been previously available.

17. In addition to the immediate effects and reliance interests described above, dramatically cutting indirect cost reimbursement would have longer-term effects that are both cumulative and cascading.

18. Disruptions to University of Utah’s research will also have negative effects in the Salt Lake City area, the state of Utah, and the broader region. Over 8,000 Utah residents were directly employed by research at the University of Utah—and it collaborates with state and local partners to help solve regional challenges through joint research and innovation. University of Utah’s research also fuels spending in the regional economy, including by driving discoveries that launch new ventures, attract private investment, and make a positive social impact. A massive reduction in University of Utah’s research budget would immediately and seriously jeopardize these contributions to the local region.

19. Finally, slowdowns or halts in research by University of Utah and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our Nation’s national security and its economic dominance.

20. University of Utah cannot cover the funding gap itself. While University of Utah maintains an endowment, it is neither feasible nor sustainable for University of Utah to use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery:

- a. The majority of University of Utah's endowment is restricted to specific donor-designated purposes, such as scholarships, faculty chairs, and academic programs. University of Utah is not legally permitted to use those funds to cover research infrastructure costs.
- b. Even the portion of the endowment that is unrestricted is subject to a carefully managed annual payout to ensure long-term financial stability for the institution.

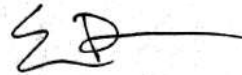
22. It is also not feasible or sustainable for University of Utah to use other revenue sources to offset shortfalls in indirect cost recovery. As a non-profit institution, University of Utah reinvests nearly all of its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, University of Utah does not generate significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid support for students. Absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on University of Utah—which would in turn force reductions in key investments supporting University of Utah's faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain University of Utah's academic excellence. So even if University of Utah could “cover” some of the indirect costs previously funded by NSF, it could do so only by negatively affecting other critical goals central to the institution's mission.

23. If University of Utah can no longer apply for NSF grants because it is unable to accept the new indirect cost rate cap – a risk that would impact most of our NSF grants – the harms described herein would be exacerbated. That greater loss in funding from NSF would mean more significant cost-cutting measures would need to be adopted—and quickly. University of Utah

cannot “float” all of the indirect costs it would likely lose coverage for – nor could it float NSF grants altogether if it is not able to accept the 15% cap – so some research projects would need to be terminated altogether, and others would need to be scaled down or pared back significantly. The process of identifying these cuts would need to begin immediately, and layoffs, closures, and research pauses or contractions would follow soon thereafter. Cutting back on University of Utah’s research in fields such as artificial intelligence, aerospace, wireless, and microelectronics will also have long-term implications on national security and the American economy.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 5, 2025, at Salt Lake City, Utah.

A handwritten signature in black ink, appearing to read 'ER' followed by a stylized flourish.

Erin Rothwell